

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COMPLIANCE OF KENVIR WATERWORKS, INC.,)
AND JERRY, JOHN, JACK, AND WILLIAM K.) CASE NO. 8913
REYNOLDS WITH ORDERS IN CASE NO. 8148)

O R D E R

On October 7, 1983, the Commission established this case to monitor Kenvir Waterworks, Inc. ("Kenvir"), to ensure compliance with the Order in Case No. 8148.¹ In the earlier case, the Commission found that several service deficiencies existed in a water distribution system owned by Kenvir and that ownership of Kenvir had been transferred without Commission approval. The Commission ordered that the unauthorized transfer be set aside and that Kenvir's sole stockholders - John, Jack, Jerry and William Reynolds ("the Reynoldses") - correct the service deficiencies. On appeal, the Order was affirmed in all respects.²

On October 18, 1983, Kenvir filed a petition for relief under Chapter 7 of the U.S. Bankruptcy Code. For over 4 years, the water distribution system, the only physical asset in the debtor's estate, was under the control of a bankruptcy trustee. On May 10, 1988, the Bankruptcy Court authorized the sale of the water

¹ Complaint of Mrs. Narda Lewis And Others Against the Kenvir Water Works, Inc., April 22, 1981.

² William Reynolds v. Public Service Commission, No. 81-CI-1115 (Franklin Circuit Court, August 11, 1983).

distribution system to Naydine White for the sum of one dollar, contingent upon the Commission's approval of the sale.³ The trustee subsequently sold the water distribution system and Ms. White filed a petition seeking approval of the sale.⁴

After a review of the record and being advised, the Commission is of the opinion and finds that:

1. The Reynoldses no longer own, operate, or control Kenvir or its water distribution system.

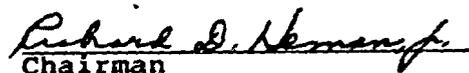
2. On October 13, 1983, Kenvir filed a petition for relief under Chapter 7 of the U.S. Bankruptcy Code. The trustee for the debtor's estate subsequently sold the water distribution system owned by Kenvir.

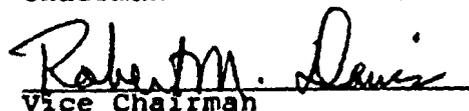
3. As the objective of this case - the monitoring of Kenvir and the Reynoldses to ensure compliance with the Commission's Order in Case No. 8148 - can no longer be met, this case should be closed.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 21st day of October, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

³ In Re Kenvir Water Works, Inc., No. 83-00224 (Bankruptcy E.D. Ky. May 10, 1988).

⁴ Case No. 10360, Kenvir Water Works.